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773.5 MSP/6-2956

FOREIGN SERVICE DESPATCH

444
DESP. NO.

FROM : American Embassy, Tripoli

June 29, 1956
DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.
ATTN: Assistant for Treaty Affairs,
Office of the Legal Adviser.

REF : 4 FSM 226; Deptel 582, June 6, 1956

For Dept. Use Only	ACTION	DEPT.
	L-2	REF-2 RM/R-2 OLI-6 NEA-4 E-4 O/MSA-1 ICA-10
	REC'D 7-7	INFO OTHER AG 5 Com-10 CIA-6

SUBJECT: Exchange of Notes Concerning Development Assistance

The Embassy transmits in accordance with the provisions of 4 FSM 226, the documents relevant to an agreement dated June 27, 1956 between the United States and Libyan Governments on the disposition of $5,000,000 in economic aid granted to the Libyan Government by the United States Government during the latter's fiscal year 1955/56.

Enclosure No. 1 is a certified copy of a letter from John L. Tappin, Ambassador of the United States of America in Libya, to Khalil Gallal, Acting Prime Minister and Minister of State of the United Kingdom of Libya, proposing the terms of an agreement, and Enclosure No. 2 is the signed original of Gallal's reply. Certified copies of Enclosures Nos. 1 and 2 have been retained in the Embassy's files. Enclosures Nos. 3 and 4 are copies in reproducible form of Enclosures Nos. 1 and 2.

The Libyan Government's note was written in London, where the Prime Minister and principal economic officials of the Libyan Government were engaged in discussions with the British Government. It was brought to Libya by hand by Mr. Charles Pitt Hardacre, Finance and Economics Expert of the Libyan Government, with instructions from the Prime Minister to the Acting Prime Minister to sign it. Because neither Mr. Pitt Hardacre nor the Acting Prime Minister cared to assume the responsibility of altering the note in any way, even to have it more presentably transcribed, the Embassy's indications of its obvious defects as part of an agreement between governments had no effect. In view of the fact that the Prime Minister was reported to have left London and was not expected to reach Tripoli until after June 30, and in view of the necessity for immediate signing of the USOM project agreements mentioned in the note, in order properly to obligate the grant funds, the Embassy had no recourse but to accept the note in its present form. Although its form leaves much to be desired, the note does contain the substance of the agreement.

For the Ambassador:

Hodger P. Davies
Counselor of Embassy

cc: Benghazi

Enclosures:
1. Certified copy of letter from Amb. Tappin to Acting PM Gallal
2. Signed original of Acting PM Gallal's reply to Amb. Tappin's letter
3. Copy in reproducible form of Enclosure No. 1.
4. " " " " " " " 2.

FKundy/lva
Encl 1-4

REVIEWED BY J.M. Raz DATE Mar 6 1962

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TS AUTH.

DECLASSIFICATION REVIEW

RELEASE DENIED

PA or FOI EXEMPTIONS

ACTION COPY — DEPARTMENT OF STATE
The action office must return this permanent record copy to DC/R files with appropriate notation of action taken.

LEGAL ADVISER
JUL 11 1956
DEPARTMENT OF STATE

This Document Must Be Returned to RM/R Central Files

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American Embassy,
Tripoli, June 27, 1956.

Excellency:

I have the honor to refer to the exchange of notes signed at Tripoli April 4, 1956, and in particular to the offer of the United States Government to grant economic aid to Libya in the amount of five million dollars for development projects to be agreed on, in addition to four million dollars from special purpose funds already transferred to Libya during the present United States fiscal year.

It is the understanding of my Government, following recent conversations on the subject between representatives of our two governments, that such economic aid is to be made available for development purposes in the fields of agriculture and natural resources, water resources, community development, technical and vocational education, public health and environmental sanitation, provincial road construction, and for providing additional capital for the agricultural credit bank in furtherance of the agricultural credit program; and that detailed arrangements therefore are to be made in appropriate project agreements to be entered into by the Director of the United States Operations Mission to Libya and the Chairman of the Libyan American Reconstruction Commission, or their designees (or by any successor officials or authorized representatives of the two governments) and by the respective representatives of any joint service, Libyan Government Ministry or Agency of the Government of Libya that may directly participate in the project.

If Your Excellency's Government concurs in the understandings set forth above, my Government would appreciate receiving a reply to that effect at an early date in order that the project agreements can be concluded before July 1, 1956. My Government will consider this note and your reply concuring therein as constituting an agreement which shall enter into force upon the date of your reply.

John L. Tappin

His Excellency
Khalil Gallal,
Acting Prime Minister and Minister of State
of the United Kingdom of Libya,
Tripoli.

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(Classification)

THE UNITED KINGDOM OF LIBYA
MINISTRY OF FOREIGN AFFAIRS,
Tripoli, Libya.

27th June 1956

Excellency,

I have the honor to refer to the exchange of notes signed at Tripoli April 4, 1956, and in particular to the offer of the USG to grant economic aid to Libya in the amount of $5,000,000 for development projects to be agreed on, in addition to $4,000,000 from special purpose funds already transferred to Libya during the present US fiscal year.

It is the understanding of my Government, following recent conversations on the subject between representatives of our two Governments, that such economic aid is to be made available for development purposes in the fields of agriculture and natural resource, water resources, community development, technical and vocational education, public health and environmental sanitation, provincial road construction, and for providing additional capital for the Agricultural Credit Bank for furtherance of the agricultural credit programme; and that detailed arrangements therefore are to be made in appropriate project agreements to be entered into by the Director of the US Operations Mission to Libya and the Chairman of the Libyan American Reconstruction Commission, or their designees (or by any successor officials or representative of the two Governments) and by the respective representatives of any joint service, Libyan Government Ministry or Agency of the Government of Libya that may directly participate in the project.

Please accept, Your Excellency, the assurance of my highest consideration.

Kh. El Gallal

(Khalil Gallal)
Deputy Prime Minister

His Excellency Mr. John L. Tappin,
Ambassador Extraordinary and Plenipotentiary
of the United States of America,
American Embassy,
Tripoli.

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Tripoli, June 27, 1956.

excellency.

I have the honour to refer to the exchange of notes signed at Tripoli [illegible], 1956, and in particular to the offer of the Government of the United States to grant economic aid to Libya in the form of [illegible] million dollars for development projects to be carried out, [illegible] to four million dollars from special assistance funds transferred to the Libyan during the present financial year.

It is the understanding of my Government, following recent discussions on the subject between representatives of our two Governments, that economic aid is to be made available for projects in the fields of agriculture and natural resources, economic development, technical assistance, public works and environmental improvements, [illegible] construction, and for providing [illegible] of the services and credit banks in furtherance of these and credit programs. The detailed arrangements

[illegible],

[illegible] Minister of State

[illegible] United Kingdom of Libya,

Tripoli.

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United Kingdom of Libya)
City of Tripoli)
Embassy of the United) ss:
States of America)

I, Frederic K. Lundy, Jr., Consul of the United States of America at Tripoli, Libya, duly commissioned and qualified, do hereby certify that the annexed copy of a letter dated June 27, 1956 from John L. Tappin, Ambassador of the United States of America in Libya to Khalil Gallal, Acting Prime Minister and Minister of State of the United Kingdom of Libya, concerning the disposition of five million dollars of economic aid granted by the United States Government to the Libyan Government during the United States fiscal year 1955/56 is a true and correct copy of the signed original, the same having been carefully examined by me and compared with the said original and found to agree therewith word for word and figure for figure.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Embassy of the United States of America at Tripoli, Libya this twenty-ninth day of June, 1956.

Frederic K. Lundy, Jr.
Frederic K. Lundy, Jr.
Consul of the United States of America

Service No. 1171
Tariff Item No. 38
None

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arrangements therefore are to be made in appropriate project agreements to be entered into by the Director of the United States Operations Mission to Libya and the Chairman of the Libyan American Reconstruction Commission, or their designees (or by any successor officials or authorized representatives of the two governments) and by the respective representatives of any joint service, Libyan Government Ministry or Agency of the Government of Libya that may directly participate in the project.

If Your Excellency's Government concurs in the understandings set forth above, my Government would appreciate receiving a reply to that effect at an early date in order that the project agreements can be concluded before July 1, 1956. My Government will consider this note and your reply concurring therein as constituting an agreement which shall enter into force upon the date of your reply.

John L. Tappin

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Encl. 2
Desp. 444

THE UNITED KINGDOM OF LIBYA
MINISTRY OF FOREIGN AFFAIRS,
Tripoli, Libya.

27th June 1956

Excellency,

I have the honour to refer to the exchange of notes signed at Tripoli April 4, 1956, and in particular to the offer of the USG to grant economic aid to Libya in the amount of $5,000,000 for development projects to be agreed on, in addition to $4,000,000 from special purpose funds already transferred to Libya during the present US fiscal year.

It is the understanding of my Government, following recent conversations on the subject between representatives of our two Governments, that such economic aid is to be made available for development purposes in the fields of agriculture and natural resource, water resources, community development, technical and vocational education, public health and environmental sanitation, provincial road construction, and for providing additional capital for the Agricultural Credit Bank for furtherance of the agricultural credit programme; and that detailed arrangements therefore are to be made in appropriate project agreements to be entered into by the Director of the US Operations Mission to Libya and the Chairman of the Libyan American Reconstruction Commission, or their designees (or by any successor officials or representative of the two Governments) and by the respective representativesof any joint service, Libyan Government Ministry or Agency of the Government of Libya that may directly participate in the project.

Please accept, Your Excellency, the assurance of my highest consideration.

Kh. El Gallal

(Khalil Gallal)
Deputy Prime Minister

His Excellency Mr. John J. Tappin,
Ambassador Extraordinary and Plenipotentiary
of the United States of America,
American Embassy,
Tripoli

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